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1 P R O C E E D I N G S

2 TUESDAY, AUGUST 18, 2015

3 (9:00 a.m.)

4 AGENDA ITEM NO. 1

5 CHAIRMAN ALCANTAR: Good morning,
6 everyone. This meeting will now be called to order.

7 AGENDA ITEM NO. 2

8 Discussion, Consideration and Possible
9 Action Regarding Whether to Assume Continuing
10 Jurisdiction on Unemployment Compensation Cases, Wage
11 Claim Cases, and/or Tax Liability Cases and
12 Reconsideration of Unemployment Compensation Cases, Wage
13 Claim Cases, and/or Tax Liability Cases, if Any.

14 No discussion.

15 AGENDA ITEM NO. 3

16 Discussion, Consideration and Possible
17 Action Regarding Tax Liability Cases Listed on the Texas
18 Workforce Commission Dockets 32 and 33.

19 The Commission considered and took action
20 on all tax liability cases listed on Dockets 32 and 33.

21 AGENDA ITEM NO. 4

22 Discussion, Consideration and Possible
23 Action Regarding Higher Level Appeals in Wage Claim
24 Cases Listed on the Texas Workforce Commission Dockets
25 32 and 33.

1 The Commission considered and took action
2 on all wage claim cases listed on Dockets 32 and 33.

3 AGENDA ITEM NO. 5

4 Discussion, Consideration and Possible
5 Action Regarding Higher Level Appeals in Unemployment
6 Compensation Cases Listed on the Texas Workforce
7 Commission Dockets 32 and 33.

8 The Commission considered and took action
9 on all unemployment compensation cases listed on Dockets
10 32 and 33.

11 (Off the record: 9:00 a.m. to 9:47 a.m.)

12 CHAIRMAN ALCANTAR: Good morning,
13 everyone. We are back in session.

14 AGENDA ITEM NO. 6

15 CHAIRMAN ALCANTAR: Mr. Jones, has anyone
16 signed --

17 MR. JONES: No public comment,
18 Mr. Chairman.

19 CHAIRMAN ALCANTAR: All right. Thank you,
20 sir.

21 AGENDA ITEM NO. 7

22 CHAIRMAN ALCANTAR: Item 7 is Discussion,
23 Consideration and Possible Action Regarding Board
24 Contract Year 2015 Local Board Performance Measures and
25 Targets.

1 David. Good morning, David.

2 MR. JOHNSON: Good morning, Mr. Chairman,
3 Commissioners, Mr. Temple. David Johnson with
4 Operational Insight.

5 As you're well aware, oil prices fell
6 dramatically late last year. Prior to that point Boards
7 had success in returning oil and gas claimants to work
8 within 10 weeks.

9 Their rates were typically 10 to 20
10 percent better than non-oil and gas claimants. After
11 the price fall oil and gas claimants returned to work at
12 only 80 percent of the level of non-oil and gas
13 claimants, a relative 40 percentage drop.

14 While oil and gas claimants became more
15 difficult to reemploy within 10 weeks, they also became
16 a much larger part of the case mix.

17 Before the price fall they were between
18 five and eight percent of all claimants, but after they
19 increased to about 18 percent closer to 44 percent fro
20 some Boards.

21 As such we're recommending the BCY15
22 target methodology reflect these changes in Texas'
23 economy by setting different performance expectations
24 for oil and gas claimants and non-oil and gas claimants.

25 Each Board's target would be adjusted in

1 proportion to the percentage of claimants that are from
2 the oil and gas industry.

3 The table included with the item shows the
4 preliminary figures, but the final figures would be
5 calculated later by staff using the final case mix.

6 That concludes my prepared remarks. I'm
7 happy to answer any questions you might have.

8 CHAIRMAN ALCANTAR: Do we have any
9 questions?

10 COMM. HUGHS: No.

11 CHAIRMAN ALCANTAR: Commissioner
12 Congleton.

13 COMM. CONGLETON: Move that we revise the
14 Board Contract Year 2015 targets for claimants'
15 reemployment within 10 weeks as discussed.

16 COMM. HUGHS: (Mic off) I second that
17 motion.

18 CHAIRMAN ALCANTAR: It's unanimous.

19 AGENDA ITEM NO. 8

20 CHAIRMAN ALCANTAR: Item 8. Discussion,
21 Consideration and Possible Action Regarding Board
22 Contract Year 2016 Local Board Performance Measures and
23 Targets.

24 David Johnson again.

25 MR. JOHNSON: Thank you. Again, for the

1 record, David Johnson with Operational Insight.

2 This item has recommendations for setting
3 targets on two BCY2016 measures. I would like to begin
4 with the claimant reemployment within 10 weeks measure.

5 For the same reasons as I articulated in
6 the previous item we'd like to request adjusting the
7 targets for this measure based on the oil and gas to
8 non-oil and gas case mix.

9 The other part of this item is regarding
10 the employers receiving workforce assistance measure.
11 This measure is most commonly associated with business
12 service units operating in the Board areas.

13 While these are more -- excuse me -- most
14 closely associated with Wagner-Peyser funding, they're
15 also funded through other streams such as Title 1,
16 Choices and SNAP E&T.

17 Since most Boards are facing funding
18 reductions for BCY16 as compared to 15, we are
19 recommending that targets be set with those changes in
20 mind.

21 Staff first calculated the funding changes
22 for each Board for the above-mentioned sources. We
23 averaged changes in Wagner-Peyser with the changes in
24 the sum of the other three and applied that percentage
25 change to the proportion of BCY -- of the BCY15 target

1 that was expected to be achieved locally.

2 Since the TWC portion is primarily through
3 WOTC and other state-operated programs it will not be
4 affected by Board funding changes and should not be
5 adjusted here.

6 By adding the TWC serve target to the
7 adjusted '15 target we get the total '16 target. That
8 concludes my prepared remarks.

9 I'm happy to answer any questions.

10 CHAIRMAN ALCANTAR: Commissioner
11 Congleton.

12 COMM. CONGLETON: Move that we approve the
13 2016 targets for employers receiving workforce
14 assistance and authorize staff to set and adjust the
15 targets for claimants reemployment within 10 weeks by
16 weighing the oil and gas claims as discussed.

17 COMM. HUGHS: Second that motion.

18 CHAIRMAN ALCANTAR: It's unanimous. Thank
19 you, David.

20 MR. JOHNSON: Thank you.

21 CHAIRMAN ALCANTAR: Item 9, there is no
22 update on WIOA.

23 AGENDA ITEM NO. 10

24 CHAIRMAN ALCANTAR: Item 10. Discussion,
25 Consideration and Possible Action Regarding Board

1 Contract Year 2016 Reimbursement Rate Limitations,
2 Laurie Biscoe.

3 Good morning, Laurie.

4 MS. BISCOE: Good morning, Mr. Chairman
5 and Commissioners. Again, Laurie Biscoe, Workforce
6 Division.

7 For your consideration today is a
8 recommendation to limit child care rate increases for
9 the first six months of BCY2016 or October 2015 through
10 February of 2016.

11 The child care targets for the number of
12 children in care and the average cost of care per day
13 adopted by the Legislature for FY16 and '17 accounted
14 for an increase in costs associated with the increased
15 Texas Rising Star or TRS participation and the
16 implementation of tiered reimbursements for child care.

17 In March of this year Board assessors
18 began using the new TRS standards adopted by the
19 Commission in late January to certify child care
20 providers at the two, three or four star levels.

21 The assessments under the new standards
22 for existing TRS providers are scheduled to be completed
23 this month. We're working closely with the Boards and
24 their staff to ensure that these assessments are
25 completed by the end of August so that the new tiered

1 reimbursement rates may be effective September 1st.

2 However, there are a significant number of
3 providers who are being assessed and certifications will
4 be made in the next couple of weeks. While the new
5 certifications are being done, staff recommends that the
6 child care provider reimbursement rates be limited by
7 not approving any rate increases for the first six
8 months of BCY16.

9 During this time TWC staff will be able to
10 review the impact of the TRS graduated reimbursement
11 rates on the average cost per day per child and the
12 number of children served.

13 With that information staff will be able
14 to provide recommendations regarding any further rate
15 limitations for the remainder of the year. To clarify,
16 if Staff's recommendation is approved existing providers
17 who meet the new TRS standards as well as new providers
18 who become TRS certified will be eligible to receive
19 increased reimbursement rates through the Boards's
20 enhanced reimbursement rates for TRS providers.

21 I'll be glad to answer any questions.

22 CHAIRMAN ALCANTAR: Commissioner
23 Congleton.

24 COMM. CONGLETON: Move that we limit child
25 care reimbursement rate increases for the first six

1 months of Board Contract Year 2016 as discussed.

2 COMM. HUGHS: Second that motion.

3 CHAIRMAN ALCANTAR: It's unanimous.

4 AGENDA ITEM NO. 11

5 CHAIRMAN ALCANTAR: Item 11. Discussion,
6 Consideration and Possible Action Regarding the Regular
7 Review and Update of the Texas Rising Star Quality
8 Standards, Laurie.

9 MS. BISCOE: Again, Laurie Biscoe,
10 Workforce Division. Staff is recommending a policy
11 concept to begin the rulemaking process to establish a
12 regular review schedule for the Texas Rising Star Child
13 Care Quality Standards.

14 Senate Bill 208 passed by the 84th
15 Legislature amends the Texas Government Code to require
16 that the Commission adopt rules to include a timeline
17 and process for regularly reviewing and updating the TRS
18 Quality Standards used to determine providers' quality
19 certifications or star levels and that the process
20 include the Commission's consideration and input from
21 interested parties regarding those standards.

22 Senate Bill 208 requires that TWC adopt
23 these rules no later than September 1st of 2016. In the
24 policy concept before you staff is recommending that TRS
25 program rules be amended to respond to the statutory

1 requirements.

2 The amendments recommended include the
3 following: That the rules require a regular review of
4 the TRS guidelines on a timeline aligned with the
5 four-year rule review process required of all agencies
6 under the Government Code; that the guidelines be
7 included in the child care rule review scheduled for
8 December of this year, 2015; thus, the first full review
9 of the new TRS guidelines would take place during the
10 Chapter 809 review scheduled for December of 2019; that
11 the rules be amended to state that the TRS guidelines
12 review and update include input from stakeholders,
13 including representative types consistent with those
14 included in the TRS work group that was named in 2013;
15 and, finally, that the amendments provide that at least
16 one public hearing be held prior to submitting
17 recommendations for modifications to the Commission.

18 Again, I'll be glad to answer any
19 questions.

20 CHAIRMAN ALCANTAR: And in terms of the
21 stakeholder input, could you share for the benefit of
22 those listening in, we have three scheduled forums
23 currently or we're in the process of scheduling three?

24 MS. BISCOE: We are in the process. We've
25 coordinated with each of the Commissioners' offices and

1 have three public -- regional public meetings scheduled
2 on child care later this year, in December primarily.

3 CHAIRMAN ALCANTAR: And so that will
4 provide a very broad opportunity for stakeholder input,
5 and then as relates to an additional stakeholder working
6 group the intent is that that would include some of the
7 representatives that previously assisted us -- those
8 type of organizations -- but would be expanded to
9 include different participation of different groups.

10 Commissioner Congleton.

11 COMM. CONGLETON: As discussed I move we
12 amend our Chapter 809 rules to establish a regular
13 review of TRS guidelines aligned with the regular
14 four-year rule review of our child care rules required
15 by the Administrative Procedure Act.

16 Each review shall include input from our
17 stakeholders and at least one public meeting.

18 COMM. HUGHS: Second.

19 CHAIRMAN ALCANTAR: It's unanimous.

20 MS. BISCOE: Thank you.

21 CHAIRMAN ALCANTAR: Item 12, there is no
22 update on TAA. Is that correct?

23 MR. VADEN: Correct.

24 AGENDA ITEM NO. 13

25 CHAIRMAN ALCANTAR: Item 13. Discussion,

1 Consideration and Possible Action Regarding the
2 Publication for Public Comment of Proposed Rules
3 Relating to Local Board Oversight Capacity, Jason.

4 Good morning, Jason.

5 MR. VADEN: Good morning. Good morning,
6 Commissioners. Jason Vaden, Workforce Division.

7 Texas Labor Code Section 302.048 requires
8 TWC to establish rules that set forth criteria for
9 evaluating each local Workforce development Board's
10 overall capacity to oversee and manage local funds and
11 the delivery of local Workforce services.

12 Rules pertaining to Board oversight are
13 set forth in TWC's Chapter 802 Rules. On November 17,
14 2014 the Commission approved a policy concept that
15 included recommendations to amend TWC's Chapter 802
16 rules; specifically Section 802.67.

17 These recommendations added that TWC will
18 evaluate on at least an annual basis each Board's
19 oversight capacity, including oversight evaluation areas
20 as required by statute.

21 Second -- the second recommendation was to
22 remove the criteria currently specified in rule and add
23 that the Commission will approve in an Open Meeting
24 specific criteria to be used in evaluation of Board
25 oversight and then communicate these criteria to Boards

1 in the form of a WD -- a Workforce Development letter.
2 And then, third, add that the Commission will approve in
3 an Open meeting on an as-needed basis updates to those
4 criteria used to evaluate Board oversight capacity.

5 The policy concept was posted to TWC's
6 website for a three-week comment period. It was also
7 discussed on the December 5th conference call with
8 Executive Directors. No comments were received in
9 opposition to the policy concept.

10 This morning staff recommends approval of
11 these proposed amendments to Chapter 802 on Board
12 oversight so that they may be published in the Texas
13 Register for a 30-day public comment period, and I'll be
14 happy to answer any questions you have.

15 CHAIRMAN ALCANTAR: Commissioner
16 Congleton.

17 COMM. CONGLETON: Move that we approve the
18 proposed amendments to our Chapter 802 rules for
19 publication in the Texas Register for public comment.

20 COMM. HUGHS: Second.

21 CHAIRMAN ALCANTAR: It's unanimous.

22 AGENDA ITEM NO. 14

23 CHAIRMAN ALCANTAR: Item 14. Discussion,
24 Consideration and Possible Action Regarding Policy
25 Concepts on Unemployment Insurance Rules.

1 We have no update.

2 AGENDA ITEM NO. 15

3 CHAIRMAN ALCANTAR: Item 15. Discussion,
4 Consideration and Possible Action Regarding Approval of
5 Local Nominees, John Fuller.

6 Good morning, John.

7 MR. FULLER: Good morning, Mr. Chairman,
8 Commissioners, Mr. Temple. For the record, John Fuller,
9 Workforce Development.

10 Commissioners, before you today you have
11 nominations from Brazos Valley, Coastal Bend, Concho
12 Valley, Dallas County, Deep East Texas, Heart of Texas,
13 Permian Basin, South Plains and Southeast Texas.

14 CHAIRMAN ALCANTAR: Commissioner
15 Congleton.

16 COMM. CONGLETON: Move that we approve the
17 Board nominees from Brazos Valley, Coastal Bend, Concho
18 Valley, Dallas, Deep East, Heart of Texas, Permian
19 Basin, South Plains and Southeast Texas.

20 COMM. HUGHS: Second.

21 CHAIRMAN ALCANTAR: It is unanimous.

22 Thank you, John.

23 MR. FULLER: Thank you.

24 CHAIRMAN ALCANTAR: We have no legislative
25 update for Item 16.

1 AGENDA ITEM NO. 17

2 CHAIRMAN ALCANTAR: Item 17. Larry, what
3 do you have for us?

4 MR. TEMPLE: Just that we will be going to
5 Fort Worth for the TAA (phonetic) meeting and the ED
6 Council. This is their annual retreat as well.

7 So we'll have pretty much all day
8 Wednesday, all day Thursday with the Boards. Got a
9 pretty full agenda, going over a lot of things relative
10 to the last session and WIOA and -- you name it.

11 So it's a busy, busy two days.

12 CHAIRMAN ALCANTAR: We'll have some new
13 members on board, and we'll be saying "Good bye" to a
14 couple of folks, too.

15 So, any questions, Commissioners?

16 COMM. CONGLETON: No questions.

17 COMM. HUGHS: No.

18 CHAIRMAN ALCANTAR: Thank you, Larry.
19 Appreciate the update.

20 AGENDA ITEM NO. 20

21 CHAIRMAN ALCANTAR: Do we have a motion to
22 adjourn?

23 COMM. CONGLETON: So made.

24 COMM. HUGHS: Second.

25 CHAIRMAN ALCANTAR: We're adjourned. Have

1 a good day.

2 (Proceedings concluded at 10:01 a.m.)

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